GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:200
ANSWERED ON:25.04.2016
DBT for Kerosene Subsidy
Jaiswal Dr. Sanjay

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has launched/proposes to launch the Direct Benefit Transfer (DBT) scheme for transfer of kerosene subsidy into the consumers account;
(b) if so, the details thereof along with the extent of success achieved therefrom;
(c) whether the Government plans to scaleup the scheme in the near future and if so, the details thereof and if not, the reasons therefor; and
(d) the manner in which the Government proposes to ensure proper monitoring and implementation of the said scheme throughout the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN) (a) to (b) The Government has decided to implement Direct Benefit Transfer in Kerosene (DBTK) w.e.f. 01.04.2016 in 33 districts identified by 9 State Governments. The States are gearing up for implementation of direct transfer of subsidy. Under DBTK, the consumer will pay the non-subsidized price of kerosene at the time of purchase. Subsequently, the amount of subsidy will be directly transferred to the bank account of the beneficiary. As a part of this scheme, implementing States will be given fiscal incentive equivalent to 75 % of subsidy saved in the first two years, 50 % of subsidy saved in third year and 25 % of subsidy saved in 4th year. In case the States voluntarily agree to undertake cuts in kerosene allocation, beyond the savings due to DBTK, a similar incentive will be given to those States/UTs. The calculation will be based on net savings in kerosene consumption at State level from the baseline. The baseline for calculation of savings shall be 90% of the 2015-16 allocation of PDS SKO. (c) All State/UTs have been requested to join the Scheme either in identified districts or in the entire State.
(d) The Ministry is in touch with the State Governments to ensure that proper mechanisms are put in place at the earliest
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